

Balance Sheet

As at 31st March, 2011

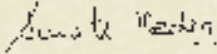
(₹ in Lacs)

Particulars	Schedule	As at	
		31st March, 2011	30th September, 2009
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	2562.75	2567.55
b) Reserves & Surplus	2	127233.62	114957.73
		129796.37	117525.28
c) Share Holders Account (Refer Note No. 9 of Schedule - 23)		(860.67)	–
		128935.70	117525.28
2. Loan Funds			
a) Secured Loans	3	170668.83	97202.88
b) Unsecured Loans	4	30000.00	–
		200668.83	97202.88
3. Deferred Tax Liability (Refer Note No. 7 of Schedule - 23)		28340.47	26163.47
Total		357945.00	240891.63
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	5	250060.00	237449.99
b) Less: Depreciation & Amortisation		79066.55	60440.17
c) Net Block		170993.45	177009.82
d) Capital Work-in-Progress		608.94	665.62
		171602.39	177675.44
2. Investments	6	12860.75	12657.15
3. Deferred Tax Assets (Refer Note No. 7 of Schedule - 23)		5855.69	5775.69
4. Current Assets, Loans & Advances			
a) Inventories	7	149130.58	34343.01
b) Sundry Debtors	8	8974.38	1710.01
c) Cash and Bank Balances	9	3222.29	3297.39
d) Other Current Assets	10	26.69	15.49
e) Loans and Advances	11	35337.93	31123.01
		196691.87	70488.91
Less: Current Liabilities & Provisions			
a) Current Liabilities	12	24084.12	15548.54
b) Provisions	13	4981.58	10210.29
		29065.70	25758.83
Net Current Assets		167626.17	44730.08
5. Miscellaneous Expenditure	14		
(To the extent not written off or adjusted)		–	53.27
Total		357945.00	240891.63
Significant Accounting Policies	22		
Notes on Accounts	23		

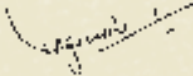
Schedules 1 to 14, 22 & 23 referred to above form an integral part of the Balance Sheet.

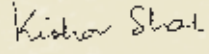
This is the Balance Sheet referred to in our report of even date.

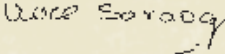
For **G. P. Agrawal & Co.**
Chartered Accountants
F. R. No. 302082E


(CA. Sunita Kedia
Membership No. 60162)
Partner

7A, Kiran Shankar Ray Road,
Kolkata - 700 001.
13th May, 2011.


S. K. Agrawala
Secretary


Kishor Shah
Director cum
Chief Financial Officer


Vivek Saraogi
Managing Director

Schedules forming part of the accounts

(₹ in Lacs)

Particulars	As at		As at	
	31st March, 2011		30th September, 2009	
1 SHARE CAPITAL				
Authorised				
40,00,00,000 (Previous year 40,00,00,000) Equity Shares of ₹1/- each	4000.00		4000.00	
25,00,00,000 (Previous year 25,00,00,000) Preference Shares of ₹100/- each	2500.00		2500.00	
		6500.00		6500.00
Issued, Subscribed and Paid up				
25,62,74,911 (Previous year 25,67,55,060) Equity Shares of ₹1/- each fully paid up (Refer Note No. 8 of Schedule - 23)		2562.75		2567.55
		2562.75		2567.55

(₹ in Lacs)

Particulars	As at		As at	
	31st March, 2011		30th September, 2009	
2 RESERVES & SURPLUS				
Capital Reserves				
Balance as per last account	1006.42		86.42	
Add: Forfeiture of Deposit against Convertible Warrants	-		920.00	
Add: Capital Subsidy	21.80	1028.22	-	1006.42
Capital Redemption Reserve				
Balance as per last account	2500.00		2500.00	
Add: Transfer from General Reserve on Buy Back of Equity Shares (Refer Note No. 9 of Schedule - 23)	34.49	2534.49	-	2500.00
Securities Premium				
Balance as per last account	49811.81		48758.96	
Add: On Issue of Equity Shares (Refer Note No. 32 (c) of Schedule - 23)	38.76		-	
Add: On Exercise of Employees Stock Option	1984.94	51835.51	1052.85	49811.81
Revaluation Reserve				
Balance as per last account		18.24		18.24
Employees Stock Option Adjustment Account				
Balance as per last account	840.82		196.18	
Add: Options Granted	-		546.99	
Add: Revision in Options Price	-		645.23	
	840.82		1388.40	
Less: Options Exercised	697.96		516.60	
Less: Options Forfeited	30.42		30.98	
	112.44		840.82	
Less: Deferred Employee Compensation Expenses (Refer Note No. 10 of Schedule - 23)	-	112.44	270.13	570.69
General Reserve				
Balance as per last account	56744.54		45744.54	
Add: Transfer from Profit & Loss Account	10000.00		11000.00	
	66744.54		56744.54	
Less: Utilised on Buy Back of Equity Shares	2370.80		-	
Less: Transfer to Capital Redemption Reserve on Buy Back of Equity Shares (Refer Note No. 9 of Schedule - 23)	34.49	64339.25	-	56744.54
Profit & Loss Account				
Surplus as per Annexed Account		7219.25		4238.55
Storage Fund for Molasses				
Balance as per last account	67.48		49.54	
Add: Transfer from Maizapur Sugar Unit on Merger (Refer Note No. 32 (b) of Schedule - 23)	0.34		-	
Add: Transfer from Profit & Loss Account	78.40	146.22	17.94	67.48
		127233.62		114957.73

Schedules forming part of the accounts

(₹ in Lacs)

Particulars	As at 31st March, 2011	As at 30th September, 2009
3 SECURED LOANS		
A. TERM LOANS		
i. Rupee Loans		
a) State Bank of India (SBI)	–	633.84
b) State Bank of India (SBI) (Interest Free)	4996.78	11643.00
c) Punjab National Bank (PNB) (Interest Free)	224.00	510.00
d) Government of India, Sugar Development Fund (SDF)	10796.29	12355.86
e) Government of India (GOI) (Interest Free)	–	80.25
II. External Commercial Borrowings (ECB)		
a) State Bank of India (SBI)	13786.50	17251.11
b) UCO Bank (UCO)	4120.50	4120.50
c) ABN Amro Bank, NV (ABN)	4801.26	8056.15
d) CITI Bank (CITI)	2946.70	4420.00
e) BNP Paribas (BNP)	–	2327.50
f) Standard Chartered Bank (SCB)	3060.40	4372.00
g) DBS Bank Ltd. (DBS)	6651.00	6651.00
h) Cooperative Centrale Raiffeisen- Boerenleenbank, B.A. (CCRB)	8928.16	8928.16
i) International Finance Corporation, Washington (IFC)	11355.36	15853.51
Total (A)	71666.95	97202.88
B. WORKING CAPITAL LOANS		
a) State Bank of India (SBI)	97691.26	–
b) Punjab National Bank (PNB)	1310.62	–
Total (B)	99001.88	–
Total (A+B)	170668.83	97202.88
Summary of Secured Loans		
Loans from Banks	148517.18	68913.26
Loans from Others	22151.65	28289.62
	170668.83	97202.88
Interest Accrued & Due Included Above		
In loans from Banks	–	8.84

Notes :

- Rupee Term loan from SBI was secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and co-generation units at Akbarpur and also guaranteed by the Managing Director of the Company (due within a year Nil, previous period ₹633.84 lacs).
- Interest Free Rupee Term Loan amounting to ₹4853.00 lacs from SBI is secured by way of residual charge on immovable properties, both present and future, pertaining to Company's all sugar units (excluding Maizapur Sugar Unit), hypothecation of movable properties (excluding current assets and books debts), both present and future, pertaining to Company's sugar unit at Balrampur, ranking pari passu with PNB and residual charge on movable properties (excluding current assets and book debts), pertaining to other sugar units of the Company (excluding Maizapur Sugar Unit) (due within a year ₹4853.00 lacs, previous period ₹6790.00 lacs).
 - Interest Free Rupee Term Loan amounting to ₹143.78 lacs from SBI is secured by way of residual charge on movable properties (excluding current assets and books debts), both present and future, pertaining to Company's sugar unit at Maizapur, and is to be further secured by way of residual charge on immovable properties both present and future, pertaining to Company's sugar unit at Maizapur (due within a year ₹114.96 lacs, previous period ₹86.22 Lacs).
- Interest Free Rupee Term Loan from PNB is secured by way of residual charge on movable properties (excluding current assets and book debts), pertaining to Company's sugar unit at Balrampur, both present and future, ranking pari passu with SBI (due within a year ₹224.00 lacs, previous period ₹286.00 lacs).
- Rupee Term Loans from SDF are secured by an exclusive second charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar unit at Tulsipur, sugar and cogeneration units at Balrampur, Haidergarh, Akbarpur, Mankapur, Kumbhi, Gularia and Rauzagaon (due within a year ₹1806.14 lacs, previous period ₹1559.57 lacs).

Schedules forming part of the accounts

3 SECURED LOANS (Contd...)

5. Interest Free Rupee Term Loan from GOI was secured by way of equitable mortgage on immovable properties and hypothecation of movable properties, both present and future, pertaining to Company's sugar unit at Babhnan, subject to charge on current assets (including book debts) created in favour of SBI to secure the working capital limits and also guaranteed by some of the Directors and an erstwhile Director of the Company (due within a year Nil, previous period ₹80.25 lacs).
6. a) ECB from SBI amounting to Nil was secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Akbarpur (due within a year Nil, previous period ₹3464.61 lacs).
b) ECB from SBI amounting to ₹13786.50 lacs is secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia (due within a year ₹5514.60 lacs, previous period Nil).
7. ECB from CCRB and UCO are secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia (due within a year ₹8928.16 lacs, previous period Nil).
8. ECB from BNP was secured by way of first pari passu equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia (due within a year Nil, previous period ₹2327.50 lacs).
9. ECB from ABN is secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Mankapur (due within a year ₹2400.63 lacs, previous period ₹3254.89 lacs).
10. ECB from CITI is secured by way of hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Kumbhi and Gularia (due within a year ₹1473.30 lacs, previous period ₹1473.30 lacs).
11. ECB from SCB is secured by way of hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's cogeneration unit at Balrampur (due within a year ₹1748.80 lacs, previous period ₹1311.60 lacs).
12. ECB from DBS is secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar unit at Balrampur (due within a year ₹6651.00 lacs, previous period Nil).
13. a) ECB from IFC amounting to Nil was secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties and residual charge on current assets, both present and future, pertaining to Company's sugar and cogeneration units at Haidergarh, and Company's distillery and organic manure units at Babhnan and further guaranteed by some of the Directors and an erstwhile Director of the Company (due within a year Nil, previous period ₹699.90 lacs).
b) ECB from IFC amounting to ₹11355.36 lacs is secured by way of first equitable mortgage on immovable properties and hypothecation of movable properties and residual charge on current assets, both present and future, pertaining to Company's sugar and cogeneration units at Haidergarh and Rauzagaon (due within a year ₹2522.32 lacs, previous period ₹3787.17 lacs).
14. Working Capital Loans with SBI is secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, pertaining to Company's sugar unit at Balrampur (excluding current assets of cogeneration & distillery units) on pari passu basis with PNB, hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, pertaining to Company's sugar unit at Babhnan (excluding current assets of cogeneration & distillery units) on pari passu basis with HDFC and hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of other sugar units of the Company (excluding current assets of cogeneration & distillery units) and further secured / to be secured by way of 3rd charge on fixed assets of all the sugar units of the Company.
15. Working Capital Loans with PNB is secured by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, pertaining to Company's sugar unit at Balrampur (excluding current assets of cogeneration & distillery units) ranking pari passu with SBI.
16. Aggregate amount of Term Loans payable within a year ₹36236.91 lacs, previous period ₹25754.85 lacs.

(₹ in Lacs)

Particulars	As at	
	31st March, 2011	30th September, 2009
4 UNSECURED LOANS		
Short Term Loan		
From Banks	30000.00	-
	30000.00	-

Schedules forming part of the accounts

(₹ in Lacs)

5 FIXED ASSETS		GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK			
Sl. No.	Particulars	As at 01.10.2009	Acquired on Merger	Additions/ Adjustments during the period	Deductions/ Adjustments during the period	Total As at 31.03.2011	Up to 30.09.2009	Acquired on Merger	For the period	Deductions/ Adjustments during the period	Total Up to 31.03.2011	As at 31.03.2011	As at 30.09.2009
	Tangible Assets												
1	Land (Freehold)	6646.61	454.46	101.25	6.70	7195.62	-	-	-	-	-	7195.62	6646.61
2	Land (Lease hold)	442.21	-	10.83	-	453.04	23.50	-	5.74	-	29.24	423.80	418.71
3	Building & Office Premises	45931.78	2168.11	1102.23	14.15	49187.97	5856.06	360.04	1589.28	18.27	7787.11	41400.86	40075.72
4	Railway Siding	11.13	-	-	2.45	8.68	7.08	-	0.62	2.32	5.38	3.30	4.05
5	Tube Well & Water Supply	481.21	3.09	2.05	(93.01)	579.36	67.97	0.08	13.76	(3.83)	85.64	493.72	413.24
6	Plant & Machinery	179327.46	7797.69	4315.94	3994.28	187446.81	51883.98	3028.57	14681.23	1520.55	68073.23	119373.58	127443.48
7	Furniture & Other Office Equipments	2775.22	196.22	224.39	81.21	3114.62	1501.59	109.37	324.79	64.94	1870.81	1243.81	1273.63
8	Motor Vehicles	1829.79	38.57	422.48	226.52	2064.32	1097.41	30.84	193.74	112.07	1209.92	854.40	732.38
	Intangible Assets												
9	Computer Software (Acquired)	4.58	-	-	(5.00)	9.58	2.58	-	2.87	0.23	5.22	4.36	2.00
	Total	237449.99	10658.14	6179.17	4227.30	250060.00	60440.17	3528.90	16812.03	1714.55	79066.55	170993.45	177009.82
	Total Previous Year	237418.38	-	1130.70	1099.09	237449.99	49817.27	-	10795.15	172.25	60440.17	177009.82	
10	Capital Work-in-Progress	665.62	72.14	6169.06	6297.88	608.94	-	-	-	-	-	608.94	665.62
	Capital Work-in-Progress (Previous Year)	705.49	-	482.94	522.81	665.62	-	-	-	-	-	665.62	
	Grand Total	238115.61	10730.28	12348.23	10525.18	250668.94	60440.17	3528.90	16812.03	1714.55	79066.55	171602.39	177675.44
	Grand Total Previous year	238123.87	-	1613.64	1621.90	238115.61	49817.27	-	10795.15	172.25	60440.17	177675.44	

Notes:

Particulars	(₹ in Lacs)	
	18 Months ended 31st March, 2011	Year ended 30th September, 2009
1) Depreciation for the period/year includes		
i) Depreciation for earlier years	(2.60)	17.71
ii) Depreciation Capitalised	1.07	0.77

Schedules forming part of the accounts

(₹ in Lacs)

Particulars	Face Value Per Share/Units	Number of Shares/Units	As at 31st March, 2011	Number of Shares/Units	As at 30th September, 2009
6 INVESTMENTS					
Long Term Investments (At Cost)					
In Equity Shares of Companies :					
Trade Investments :					
Unquoted, Fully Paid Up :					
Subsidiary Companies:					
Balrampur Overseas Pvt. Ltd.	HKD1	2000000	102.42	2000000	102.42
Associate Company :					
VA Friendship Solar Park Pvt. Ltd. (Acquired during the period)	₹10	10200	225.01	–	–
Other Companies :					
Asia Sugar Industries Pvt. Ltd.	₹10	250000	25.00	250000	25.00
Balrampur Sugar Company Consumers Co-Operative Society Ltd.	₹100	35	0.03	35	0.03
Co-Operative Development Union Ltd.	₹10	110	0.01	110	0.01
Co-Operative Stores Ltd.	₹10	1	– ^	1	– ^
Other than Trade :					
Quoted :					
Subsidiary Company :					
Fully Paid Up Equity Shares in Indo Gulf Industries Ltd. (Sold 53 Equity Shares during the period)	₹1 *	5162470	283.27 @	4353365	305.39 @
Partly Paid Up Equity Shares in Indo Gulf Industries Ltd. (Fully paid during the period)	₹1 *	–	–	809158	16.33 @
Unquoted, Fully Paid Up :					
Other Companies :					
Fortuna Services Ltd. (70,239 Equity Shares acquired during the period)	₹1	70287	0.70	48	– ^
In Government Securities :					
(Deposited with Government Authorities)					
Post Office National Saving Certificates			7.58	–	6.48
Current Investments :					
(At Lower of Cost and Fair Value)					
Unquoted :					
In Units of Mutual Funds :					
SBI - Magnum Insta Cash Fund - Cash Option (Acquired during the period)	₹10	57418202	12500.00	–	–
Birla Sun Life Savings Fund Institutional - Growth (Sold during the period)	₹10	–	–	2350620.70	400.04
SBI-SHF - Ultra Short Term Fund - Institutional Plan - Growth (Sold during the period)	₹10	–	–	100768491.08	11801.45
			13144.02		12657.15
Less: Provision for Diminution in value of Investments			283.27		–
			12860.75		12657.15
Aggregate Book Value of Quoted Investments @			283.27		321.72
Aggregate Book Value of Unquoted Investments			12860.75		12335.43

@ Market Value not available.

* Previous year ₹10/- per share.

^ Shown as Nil due to rounding off.

Note: Refer Note No. 12 of Schedule - 23 for Current Investments acquired and redeemed/ switched over during the period.

Schedules forming part of the accounts

(₹ in Lacs)

Particulars	As at		As at	
	31st March, 2011		30th September, 2009	
7 INVENTORIES (At lower of cost and net realisable value)				
Stores & Spare Parts		4368.13		4185.94
Loose Tools		330.87		348.37
Scrap		69.93		33.88
Raw Materials		1241.91		8570.32
Molasses		5016.65		696.40
Bagasse		1505.48		210.55
Pressmud		17.61		1.21
Finished Goods				
Sugar	133941.24		19222.45	
Industrial Alcohol	2007.37		733.11	
Organic Manure	27.71		50.15	
Banked Power	71.91	136048.23	120.94	20126.65
Work- in- Progress				
Sugar	430.99		132.89	
Molasses	42.41		4.72	
Organic Manure	43.45	516.85	5.60	143.21
Standing Crop		14.92		26.48
		149130.58		34343.01
Notes : Stock in transit included in				
i) Stock of Stores & Spare Parts (₹ in Lacs)		122.52		36.00
ii) Stock of Raw Materials (₹ in Lacs)		-		513.89

(₹ in Lacs)

Particulars	As at		As at	
	31st March, 2011		30th September, 2009	
8 SUNDRY DEBTORS (Unsecured)				
Debts outstanding for a period exceeding six months				
Considered Good	185.81		405.39	
Considered Doubtful	98.71	284.52	83.30	488.69
Other Debts - Considered Good		8788.57		1304.62
		9073.09		1793.31
Less : Provision for Doubtful Debts		98.71		83.30
		8974.38		1710.01
Note: Sundry Debtors include debts under litigation (₹ in Lacs)		98.71		45.59

(₹ in Lacs)

Particulars	As at		As at	
	31st March, 2011		30th September, 2009	
9 CASH AND BANK BALANCES				
Cash and Cheques on hand (As certified)				
Cash on hand	121.10		127.90	
Cheques on hand	69.44	190.54	637.00	764.90
Bank Balances				
With Scheduled Banks				
On Current Accounts	2265.27		2212.13	
On Fixed Deposit Accounts (Refer Note No. 11 of Schedule - 23)	311.56		130.14	
On Unclaimed Dividend Accounts	136.16	2712.99	96.99	2439.26
With Non-Scheduled Banks				
On Current Accounts (Refer Note No. 13 of Schedule - 23)		318.30		92.77
With Post Office *				
On Saving Bank Account		0.46		0.46
		3222.29		3297.39
* Maximum amount outstanding at any time during the period (₹ in Lacs)		0.46		0.46

Schedules forming part of the accounts

(₹ in Lacs)

Particulars	As at 31st March, 2011		As at 30th September, 2009	
10 OTHER CURRENT ASSETS				
Interest Accrued on Investments & Fixed Deposits		26.69		15.49
		26.69		15.49

(₹ in Lacs)

Particulars	As at 31st March, 2011		As at 30th September, 2009	
11 LOAN AND ADVANCES (Considered good except stated otherwise)				
Loans				
To a Subsidiary Company (Unsecured, Previous year Secured)		356.43		7500.00
To Others (Unsecured)		10100.00		2750.00
Advances (Unsecured)				
Advances recoverable in cash or in kind or for value to be received or pending adjustment				
Considered Good	16316.90		10045.66	
Considered Doubtful	232.33	16549.23	232.99	10278.65
Advance against Capital Assets		36.10		95.57
Advance Payment of Tax/Income Tax Refundable	11826.87		9802.05	
Less: Provision for Tax	11826.87	–	9802.05	–
MAT Credit Entitlement (Refer Note No. 14 of Schedule - 23)		5642.00		5904.18
Balances with Excise Authorities etc.		2675.52		4766.26
Security Deposits		210.98		61.34
		35570.26		31356.00
Less: Provision for Doubtful Advances		232.33		232.99
		35337.93		31123.01
Notes:				
i) Maximum amount of loan outstanding at any time during the period to Indo Gulf Industries Ltd., a Subsidiary Company (₹ in Lacs)		7500.00		9950.00
ii) Loans & Advances include Advances under litigation (₹ in Lacs)		19.93		21.78

(₹ in Lacs)

Particulars	As at 31st March, 2011		As at 30th September, 2009	
12 CURRENT LIABILITIES				
Sundry Creditors				
Total outstanding dues of Micro and Small Enterprises (Refer Note No. 15 of Schedule - 23)		74.93		37.32
Total outstanding dues of Creditors other than Micro and Small Enterprises	20843.67	20918.60	11943.98	11981.30
Amount due to a Subsidiary Company		74.64		–
Advance from Customers		250.04		1046.64
Investor Education & Protection Fund				
Unclaimed Dividend *		136.16		96.99
Excess Price of Levy Sugar (Refer Note No. 16 of Schedule - 23)		34.96		43.15
Other Liabilities		1113.74		354.46
Interest accrued but not due on loans		1555.98		2026.00
		24084.12		15548.54
Note: Maximum amount due to a Subsidiary Company at any time during the period (₹ in Lacs)		74.64		–

* There is no amount due and outstanding to be credited to Investor Education & Protection Fund.

Schedules forming part of the accounts

(₹ in Lacs)

Particulars	As at		As at	
	31st March, 2011		30th September, 2009	
13 PROVISIONS				
Provision for Tax	14276.97		10684.35	
Less: Advance Payment of Tax / Income Tax Refundable	11826.87	2450.10	9802.05	882.30
Proposed Dividend		1852.05		7702.65
Provision for Tax on Proposed Dividend		300.45		1309.07
Provision for Retirement Benefits of Employees		372.09		308.93
Provision for Contingencies		6.89		7.34
(Refer Note No. 17 (a) of Schedule - 23)				
		4981.58		10210.29

(₹ in Lacs)

Particulars	As at		As at	
	31st March, 2011		30th September, 2009	
14 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
Share Issue Expenses	53.27		178.10	
Less : Written off during the period/ year	53.27	-	124.83	53.27
		-		53.27

Schedules forming part of the accounts

22 SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis except certain fixed assets which are carried at revalued amount. GAAP comprises mandatory Companies (Accounting Standard) Rules, 2006 notified by the Central Government of India under Section 211(3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

2. Use of Estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period.

3. Fixed Assets, Intangible Assets and Capital Work-in-Progress

a) Fixed Assets are stated at their original cost (net of accumulated depreciation and impairments) adjusted by revaluation of Land, Building, Plant & Machinery, Railway Siding and Tube well of the Balrampur Unit as at 30th June, 1988; Land, Building and Plant & Machinery of Tulsipur Unit as at 31st March, 1999 and Land, Building and Plant & Machinery of Maizapur unit as at 30th September, 2008. Cost, net of cenvat, includes acquisition price, import duties, other non-refundable taxes and levies, attributable expenses and pre-operational expenses including finance charges, wherever applicable.

b) Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortisation and impairment, if any.

c) Expenditure during construction period: Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital Work-in-Progress". Capital Work-in-Progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

4. Depreciation and Amortization

a) Depreciation on Fixed Assets is provided on Straight Line method in accordance with the rates as specified in Schedule XIV to the Companies Act, 1956 (as amended) other than on Power Transmission lines and Mobile Phones. Power Transmission Lines are depreciated over a period of five years and Mobile Phones over a period of three years on straight line basis.

b) Depreciation/amortisation on assets added, sold or discarded during the year has been provided on pro-rata basis.

c) Lease hold land in the nature of perpetual lease is not amortised. Other lease hold land are amortised over the period of the lease.

d) Computer Software (Acquired) are amortised over a period of five years. Amortisation is done on straight line basis.

5. Investments

Trade investments are the investments made for or to enhance the Company's business interest. Investments are either classified as current or long-term based on Management's intention at the time of purchase. Long - term investments are carried at cost less provisions for diminution recorded to recognize any decline, other than temporary, in the carrying value of each investment. Current investments are carried at the lower of cost and fair value, category wise. Cost for overseas investments comprises of the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Cost includes acquisition charges such as brokerage, fee and duties.

6. Inventories

a) Inventories (other than By-products, Scrap and Standing crop) are valued at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventory comprises of purchase price, cost of conversion and other cost that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventories. The cost of Inventories is computed on weighted average basis.

b) Assets identified and technically evaluated as obsolete and held for disposal are valued at their estimated net realisable value.

c) By-products (Molasses, Bagasse & Press mud), Scrap and Standing Crop are valued at net realisable value.

d) Inter-unit transfer of By-products include the cost of transportation, duties, etc.

7. Share Issue Expenses

These are equally amortised over a period of five years.

8. Revenue Recognition

a) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.

b) Gross turnover includes excise duty but excludes sales tax / VAT.

c) Dividend income is accounted for in the year it is declared.

Schedules forming part of the accounts

22 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

d) All other income are accounted for on accrual basis.

9. Expenses

All the expenses are accounted for on accrual basis.

10. Government Grants

a) Government grants related to specific fixed assets are adjusted with the value of the fixed asset. If not related to a specific fixed asset, it is credited to Capital Reserve.

b) Government grants related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

11. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

Re-imbursment expected in respect of expenditure to settle a provision is recognized only when it is virtually certain that the re-imbursment will be received.

A Contingent Asset is not recognized in the Accounts.

12. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in previous accounting period is reversed if there has been a change in the estimate of recoverable amount.

13. Foreign Currency Transactions

a) Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.

b) Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rate.

c) In case of items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognized as exchange difference. The premium or discount on forward exchange contracts is recognized over the period of the respective contract.

d) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognized in the Profit & Loss Account.

e) Transactions covered by cross currency swap contracts are marked to market at the Balance Sheet date and the gain or loss is taken to Profit & Loss Account.

14. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit & Loss Account in the period in which they are incurred.

15. Insurance Claims

Accounted for on settlement of claims.

16. Employee Benefits

a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss Account for the year in which the related service is rendered.

b) Long-term employee benefits are recognized as an expense in the Profit & Loss Account for the year in which the employees have rendered services. The expense is recognized at the present value of the amount payable as per actuarial valuations. Actuarial gains and losses in respect of such benefits are recognized in the Profit & Loss Account.

17. Employee Stock Option Scheme

In respect of employee stock options granted pursuant to the company's Employee Stock Option Scheme, the intrinsic value of the option (excess of market price of the share on the date of grant over the exercise price of the option) is treated as discount and amortised for as employee compensation cost on a straight line basis over the vesting period.

18. Taxes on Income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being

Schedules forming part of the accounts

22 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit & Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

23 NOTES ON ACCOUNTS

(₹ in Lacs)

Particulars	As at 31st March, 2011	As at 30th September, 2009
1. Capital Commitments		
a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	493.92	234.58
b) Advances paid against above	36.10	95.57
2. Contingent Liabilities not provided for in respect of:		
a) Calls in arrear of a Subsidiary Company in respect of partly paid up Equity Shares	–	181.90
b) Differential Cane Price for the Sugar Seasons 1978-79 and 1979-80 pending disposal of the Writs filed by the Company in Hon'ble Calcutta High Court	–	32.93
c) Differential Cane Price for the Sugar Season 2007-08 pending disposal of the Writ filed by the UP Sugar Mills Association of which the Company is a member, in Hon'ble Supreme Court of India	9461.04	9076.97
d) Claims for acquisition of 1.99 acres of land for the Chemical unit at Balrampur and compensation there against is under dispute as the matter is subjudice	Amount not ascertainable	Amount not ascertainable
e) Claims against the Company not acknowledged as debts :		
i) Excise Duty Demand - under appeal	598.60	262.90
ii) Sales Tax Demand - under appeal	47.28	5.12
iii) Others - under appeal/litigation	885.06	861.87
f) Bank Guarantees furnished (Bank Guarantees are provided under Contractual/Legal obligation)	2749.40	2884.66
g) Corporate Guarantee given on behalf of a Subsidiary	1986.16	3550.00

3. The Company has accounted for Cane Price for the Sugar Season 2006-07 at State Advised Price of ₹125/- per quintal. Subsequently, the Hon'ble Supreme Court vide its interim order dated 27.02.2008 announced the price of ₹118/- per quintal. Accordingly, subsequent payment of Cane dues remaining outstanding on the date of the Order were made by the Company @ ₹118/- per quintal. Pending final decision of the Supreme Court, the impact of differential Cane Price has not been given in the Accounts.

4. There is a pari passu charge by way of hypothecation and equitable mortgage on the fixed assets of Kumbhi and Gularia units of the Company for an amount of Euro 4.50 million equivalent to ₹2456.61 lacs (Previous year ₹2456.61 lacs) in favour of BNP Paribas, India for securing various Swap Contracts entered into in connection with hedging in respect of various External Commercial Borrowings availed by the Company.

5. During the period, the Company Invested in Equity Shares of following Associate Company :

Name of the Associate	No. of Shares Acquired	% of Holding
VA Friendship Solar Park Private Limited	10200	42.50%

6. a) Land, Building, Plant & Machinery, Railway Siding, Tubewell and Water Supply Machinery of Balrampur unit were revalued as at 30th June, 1988 on net replacement value as per the report of S.R. Batliboi Consultants Pvt. Ltd. and the cost of respective assets aggregating to ₹1200.77 lacs was substituted by the revalued amount of ₹1920.52 lacs and the resultant increase was credited to Revaluation Reserve.

b) Land, Building and Plant & Machinery of Tulsipur unit were revalued as at 31st March, 1999 on net replacement value as per the report of Lodha & Co. and the cost of the respective assets aggregating to ₹1023.85 lacs was substituted by the revalued amount of ₹2944.93 lacs and the resultant increase was credited to Revaluation Reserve in the books of erstwhile Tulsipur Sugar Company Limited.

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

- c) Land, Building and Plant & Machinery of Maizapur unit were revalued as at 30th September, 2008 on net replacement value as per the report of S.K. Ahuja & Associates and the cost of the respective assets aggregating to ₹7645.46 lacs was substituted by the revalued amount of ₹10546.40 lacs and the resultant increase was credited to Revaluation Reserve in the books of Indo Gulf Industries Limited.

7. Details of Deferred Tax Liability and Assets are as below:

(₹ in Lacs)

Particulars	As at	As at
	31st March, 2011	30th September, 2009
a) Deferred Tax Liability :		
Depreciation	28340.47	26163.47
Total	28340.47	26163.47
b) Deferred Tax Assets :		
i) Carried Forward Losses	3414.17	128.11
ii) Expenses allowable for tax purposes when paid	2441.52	5647.58
Total	5855.69	5775.69

Note :

Carried forward losses have been recognised as Deferred Tax Assets as per latest Income Tax assessment order / Return of Income filed by the Company as there is virtual certainty that such Deferred Tax Asset can be realised against future taxable profits in the forthcoming financial years.

8. Details of Issued, Subscribed and Paid up Equity Share Capital of the Company:

- 15,55,39,650 Equity Shares have been issued and allotted as fully paid up Bonus Shares by utilisation of Securities Premium, Capital Redemption Reserve and capitalisation of General Reserve.
- 2,37,55,600 Equity Shares have been issued to the members of erstwhile Babhnan Sugar Mills Limited pursuant to the Scheme of Amalgamation as fully paid up without payment received in cash.
- 21,15,400 Equity Shares have been issued to the members of erstwhile Tulsipur Sugar Company Limited pursuant to the Scheme of Amalgamation as fully paid up without payment received in cash.
- 44,048 Equity Shares have been issued to the members of Indo Gulf Industries Limited pursuant to the Rehabilitation Scheme containing the Scheme of Arrangement between the Company and Indo Gulf Industries Limited sanctioned by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 24.06.2010 as fully paid up without payment received in cash.
- Out of 2,27,66,780 Equity Shares of ₹1/- each offered to the shareholders on right basis, issue of 17,270 (Previous year 17,270) Equity Shares has been kept in abeyance as per the direction of court.
- 1,63,52,000 fully paid up Equity Shares of ₹1/- each were allotted against Global Depository Receipts (GDRs) which have since been converted.
- 42,25,350 fully paid Equity Shares have been allotted under Employees Stock Option Scheme.
- 34,49,147 Equity Shares were bought back and extinguished during the period.
- The Company has reserved issuance of 3,33,650 (Previous year 33,51,600) Equity Shares of ₹1/- each for offering to eligible employees of the company under Employee Stock Option Scheme.

9. Pursuant to the resolution passed by the Board of Directors of the Company and in accordance with the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, the Company made a Public Announcement on February 22, 2011, to buy-back the Equity Shares of face value of ₹1/- each of the Company from open market through stock exchange route at a price not exceeding ₹85/-per share, aggregating to ₹11000.00 lacs.

The Company has bought back 46,78,678 Equity Shares as at 31st March, 2011 at an average price of ₹69.80 per share, utilizing a sum of ₹3265.96 lacs. The amount paid towards buy-back of shares, in excess of the face value, has been utilised out of General Reserve. In terms of the provisions of Section 77A of the Companies Act, 1956 and SEBI (Buy Back of Securities) Regulations 1998, as at 31st March, 2011 the Company has extinguished 34,49,147 Equity Shares and the remaining 12,29,531 Equity Shares have been extinguished on 13.04.2011. Consequently, the paid-up Equity Share capital of the Company has been reduced and the Company has created Capital Redemption Reserve of ₹34.49 lacs towards the face value of 34,49,147 Equity Shares of ₹1/- each by utilising General Reserve. The balance amount paid on buy-back of Equity Shares which are yet to be extinguished as on 31st March, 2011 has been shown by way of deduction from the Shareholders' Fund.

10. The Employee Stock Option Scheme (Scheme 2005) of the Company was formulated in the year 2005. Under the said Scheme, Options granted have vesting period of one year and exercise period of maximum eight years. During the previous year, Options covered by 1st, 2nd, 3rd and 4th Series which remained outstanding were re-priced. The revised Exercise Price of ₹45/- was

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

approved by the Shareholders of the Company in the Extra-Ordinary General Meeting held on 25th May, 2009.

The details of Options granted, lapsed and exercised as on 31st March, 2011 are as under :

Year of Issue	2005-06	2006-07	2007-08	2008-09	2008-09	Total
Series	1st	2nd	3rd	4th	5th	
Date of grant of Option	31/10/05	27/11/06	11/27/07	25/11/08	28/05/09	
Initial Exercise Price (₹)	74.60	104.10	72.20	74.20	45.00	
Revised Exercise Price (₹)	45.00	45.00	45.00	45.00	N.A.	
Market Price on the date of grant (₹)	81.10	87.65	90.75	35.40	82.35	
Excess of initial Exercise Price over Revised Exercise Price (₹)	29.60	59.10	27.20	29.20	N.A.	
Excess of Market Price over Revised Exercise Price (₹)	36.10	42.65	45.75	-	N.A.	
Number of Options outstanding on the date of Revised Exercise Price	379350	689000	879000	1234000	-	3181350
Number of Options granted upto 30.09.2009	622500	883000	995500	1280000	1464500	5245500
Number of Options exercised upto 30.09.2009	360300	454600	485500	-	-	1300400
Number of Options lapsed upto 30.09.2009	162000	207000	138500	68000	18000	593500
Number of Options outstanding on 01.10.2009	100200	221400	371500	1212000	1446500	3351600
Number of Options granted during the period	-	-	-	-	-	-
Number of Options exercised during the period	87200	198900	335500	1157000	1146350	2924950
Number of Options lapsed during the period	-	1500	1000	12000	78500	93000
Number of Options outstanding on 31.03.2011	13000	21000	35000	43000	221650	333650

Note : Refer Director's Report for other disclosures.

11. a) The Storage Fund for Molasses has been created to meet the cost of construction of Molasses Storage Tank as required under Uttar Pradesh Sheera Niyamtran (Sansodhan) Adesh, 1974 and the said Storage Fund is represented by investment in the form of bank fixed deposits of ₹175.05 lacs (Previous year ₹84.55 lacs).

b) Fixed Deposits pledged with Excise authorities etc. ₹60.01 lacs (Previous year ₹45.01 lacs).

c) Fixed Deposits with Scheduled Banks include ₹76.50 lacs (Previous year Nil) deposited with UPPCL towards security deposit.

12. During the period, the following Current Investments in Liquid Schemes of Mutual Funds were acquired and switched/re-deemed :

Particulars of Investments	Acquired during the period		Switched/re-deemed during the period	
	No. of units	Amount (₹ in Lacs)	No. of units	Amount (₹ in Lacs)
Birla Sunlife Cash Manager Institutional	41029537.85	6501.30	41029537.85	6508.89
Birla Sunlife Cash Plus Institutional	85017741.81	12721.45	85017741.81	12724.42
Birla Sunlife Savings Fund Institutional - Growth	14010618.54	2400.43	14010618.54	2414.03
DSP BR Floating Rate Fund Inst. Plan	420451.13	5500.82	420451.13	5512.05
DSP BR Liquidity Fund Inst. Plan	829463.19	11100.00	829463.19	11102.58
DSP BR Money Manager Fund Inst. Plan	150648.67	2000.55	150648.67	2006.81
HDFC Cash Management Fund - Savings Plan	130860370.92	25013.88	130860370.92	25023.34
HDFC Cash Management Fund - Treasury Advantage Plan Wholesale	62535488.90	12501.79	62535488.90	12534.09
ICICI Prudential Flexible Income Plan Premium	2320194.07	3900.46	2320194.07	3924.24
ICICI Prudential Floating Rate Plan D - Growth	2122100.17	3000.84	2122100.17	3014.74
ICICI Prudential Institutional Liquid Plan - Super Institutional	24750406.61	12600.00	24750406.61	12609.17
J M High Liquidity Fund Super IP	2681899.86	400.00	2681899.86	400.08
JM Money Manager Fund Super Plus Plan	2979318.43	400.08	2979318.43	401.32
Peerless Liquid Fund Institutional	12719100.51	1300.00	12719100.51	1300.23
Peerless Ultra Short Term Fund Super Institutional	2903036.81	300.06	2903036.81	301.32
Pramerica Liquid Fund	19678.52	200.00	19678.52	200.16
Pramerica Ultra Short Term Bond Fund	19768.92	200.16	19768.92	200.55
Reliance Liquidity Fund	388487273.70	53902.46	388487273.70	53925.68
Reliance Money Manager Fund - Institutional Option	1792471.28	22510.86	1792471.28	22565.44
Religare Liquid Fund	3835708.92	500.00	3835708.92	500.10
Religare Ultra Short Term Inst Fund	3807266.62	500.10	3807266.62	501.36
SBI Magnum Insta Cash Fund Cash Option	321724745.68	67909.96	321724745.68	67948.40
SBI-SHF - Ultra Short Term Fund - Institutional Plan - Growth	69439496.21	8501.63	69439496.21	8532.72
TATA Floater Fund	17785761.52	2408.23	17785761.52	2409.63
TATA Floating Rate Short Term Institutional Plan	30729783.44	4400.00	30729783.44	4402.28
TATA Treasury Manager SHIP	233308.03	2400.85	233308.03	2408.23
Templeton India Treasury Management Account Super IP	110643.18	1500.00	110643.18	1502.01

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

13. Balance with Non-Scheduled Banks on Current Accounts :

(₹ in Lacs)

Name of the Bank	Closing Balance		Maximum amount outstanding at anytime during the period	
	As at 31st March, 2011	As at 30th September, 2009	18 Months ended 31st March, 2011	Year ended 30th September, 2009
Aryavart Gramin Bank - Barabanki (Unit: Haidergarh)	-	0.14	0.14	50.98
Aryavart Gramin Bank - Barabanki (Unit: Rauzagaon)	3.18	13.94	257.59	39.03
Aryavart Gramin Bank - Fatehpur	-	0.49	0.49	11.86
Aryavart Gramin Bank - Haidergarh	-	0.17	0.17	0.17
Baroda Eastern Up Gramin Bank - Faizabad	4.11	20.24	5.24	30.95
Baroda Eastern Up Gramin Bank - Fatehpur	-	1.60	1.60	14.95
Baroda Eastern Up Gramin Bank - Raibareli	-	0.20	0.20	22.46
Baroda Sahkari Kshetriya Gramin Bank-Gan	0.40	0.11	4.77	5.46
Baroda Uttar Pradesh Gramin Bank, Kurriya	0.71	3.17	61.14	4.46
District Cooperative Bank - Barabanki (Unit: Haidergarh)	0.83	0.26	35.85	12.44
District Cooperative Bank - Barabanki (Unit: Rauzagaon)	3.90	8.30	14.59	13.09
District Cooperative Bank - Faizabad (Unit: Rauzagaon)	1.02	1.86	1.14	2.02
District Cooperative Bank - Faizabad (Unit: Akbarpur)	0.10	0.08	18.21	26.30
District Cooperative Bank - Fatehpur Unit: Haidergarh)	0.65	0.20	6.59	2.12
District Co-Operative Bank - Odraha	10.42	9.25	10.42	9.59
District Cooperative Bank - Sidhauri	0.05	-	15.10	-
District Cooperative Bank - Sultanpur	0.36	0.40	9.59	113.44
District Co-Operative Bank - Gola	50.26	0.43	170.68	0.50
District Co-Operative Bank - Khutar	-	0.10	0.43	0.14
District Co-Operative Bank - Nakha	15.15	0.23	15.15	0.41
District Co-Operative Bank - Neemgaon	0.44	0.10	0.44	0.22
District Co-Operative Bank - Sikardabad	0.23	0.08	0.71	0.08
District Co-Operative Bank - Amirnagar	0.38	0.59	1.26	0.73
District Co-Operative Bank - Fatehpur (Unit: Kumbhi)	0.44	0.38	0.59	0.53
District Co-Operative Bank - Mohammdipur	0.19	0.14	27.64	15.91
District Co-Operative Bank - Phardhan	0.04	-	0.86	0.25
District Co-Operative Bank - Pipariadhani	0.26	0.15	0.63	1.19
Kashi Gomti Sanyukt Gramin Bank - Azamgarh	4.04	-	70.52	3.40
Kshetriya Gramin Bank - Akbarpur	0.21	0.04	13.25	80.29
Kshetriya Gramin Bank - Dostpur	0.25	0.39	0.33	0.92
Kshetriya Gramin Bank - Mijhaura	0.30	10.48	88.50	114.99
Kshetriya Gramin Bank - Semri	0.33	0.10	7.39	3.77
Lucknow Khetriya Gramin Bank - Jarwal Kasba	1.17	0.34	1.17	6.96
Purvanchal Gramin Bank - Babhnan	65.28	0.14	475.56	221.06
Purvanchal Gramin Bank - Basti	0.08	0.06	0.08	0.47
Purvanchal Gramin Bank - Faizabad	3.58	7.35	23.74	8.22
Serve U.P Gramin Bank - Babhnan	49.78	0.14	387.82	225.42
Serve U.P Gramin Bank - Mankapur (Unit: Babhnan)	0.11	0.11	0.11	0.43
Serve U.P.Gramin Bank - Mankapur (Unit: Mankapur)	0.24	0.28	50.70	50.81
Serve UP Gramin Bank - Kurasan	0.36	-	1.05	-
Serve UP Gramin Bank, Tulsipur	95.73	0.29	756.61	191.04
Urban Co-Operative Bank - Tulsipur	0.15	0.10	12.52	8.63
Urban Co-Operative Bank - Mohammdi	0.21	0.18	32.10	12.68
Zila Sahkari Bank Ltd. - Babhnan	0.10	0.22	112.34	56.55
Zila Sahkari Bank Ltd. - Lucknow	2.68	8.61	10.95	9.29
Zila Sahkari Bank Ltd. - Parsurampur	0.58	0.90	0.60	0.94
Zila Sahkari Bank Ltd. - Sultanpur	-	0.43	0.44	22.48
Total	318.30	92.77		

Note : None of the Directors or their relatives have any interest in any of the Non-Scheduled Banks.

14. Based on the review made as at the Balance Sheet date, MAT Credit Entitlement to the extent of ₹4016.18 lacs recognised in earlier years has been written down during the current period in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India.

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

However, based on future profitability projections, the Management is confident that there will be sufficient taxable profit during the specified periods which will enable the company to utilise the balance MAT Credit Entitlement of ₹5642.00 lacs including ₹3754.00 lacs recognised during the current period.

15. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under: (₹ in Lacs)

Sl. No.	Particulars	As at 31st March, 2011	As at 30th September, 2009
i)	The principal amount remaining overdue for payment to suppliers as at the end of accounting period *	2.40	3.43
ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting period	0.34	0.55
iii)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointed day during the period	0.04	–
iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act	0.28	0.19
v)	The amount of interest accrued during the period and remaining unpaid at the end of the accounting period*	0.61	0.74
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises	–	–

* Included in the line item "Total outstanding dues of Micro and Small Enterprises" under Schedule-12.

16. Excess amount of Levy Sugar Price received to date for various Sugar Seasons as per Orders of the Hon'ble High Court ₹34.96 lacs (Previous year ₹43.15 lacs) has not been credited to the Profit & Loss Account as the matter is subjudice.

17. Disclosures in terms of Accounting Standard -29 on Provisions, Contingent Liabilities and Contingent Assets:

- a) Movement for Provision for Liabilities: (₹ in Lacs)

Particulars	Duties & taxes	Others	Amount
Balance as at 1st October, 2009	6.31	1.03	7.34
Provided during the period	–	–	–
Amount used during the period	–	–	–
Reversed during the period	–	0.45	0.45
Balance as at 31st March, 2011	6.31	0.58	6.89
Timing of outflow/uncertainties			Outflow on settlement/crystallization

- b) The Contingent Liabilities & Liabilities mentioned at Sl. No. 2 & 17 (a) respectively are dependent upon Court decision / out of Court settlement/disposal of appeals etc.

- c) No reimbursement is expected in the case of Contingent Liabilities & Liabilities shown respectively under Sl.No. 2 & 17 (a) above and in view of this, no asset has been recognised in this respect.

18. Details of Adjustment relating to earlier years : (₹ in Lacs)

Particulars	18 Months ended 31st March, 2011	Year ended 30th September, 2009
i) Cost of Raw Materials Consumed	–	0.24
ii) Salaries, Wages, Bonus etc.	2.50	–
iii) Workmen & Staff Welfare Expenses	–	0.05
iv) Rent	–	0.40
v) Rates & Taxes	2.12	2.55
vi) Repairs - Plant & Machinery	–	1.52
vii) Repairs - Others	–	0.54
viii) Miscellaneous Expenses	0.38	3.66
Total	5.00	8.96

Note: For depreciation relating to earlier years, refer note under Schedule 5.

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

19. Earnings per Share - The numerators and denominators used to calculate Basic / Diluted Earnings per Share :

Particulars	18 Months ended 31st March, 2011	Year ended 30th September, 2009
a) Amount used as the numerator (₹ in Lacs)		
Profit after Tax - (A)	16440.75	22650.59
b) Weighted average number of Equity Shares Outstanding used as the denominator for computing Basic Earnings per Share - (B)	258756052	255623126
Add : Weighted average number of Equity Shares on account of Employees Stock Option Scheme	134180	566096
c) Weighted average number of Equity Shares Outstanding used as the denominator for computing Diluted Earnings per Share - (C)	258890232	256189222
d) Nominal value of Equity Shares (₹)	1.00	1.00
e) Basic Earnings per Share (₹) (A/B)	6.35	8.86
f) Diluted Earnings per Share (₹) (A/C)	6.35	8.84

20. Excise Duty & Cess on Stock :

The amount of Excise Duty & Cess on Stock shown in Schedule - 16 represents differential Excise Duty & Cess on Opening & Closing Stock of finished goods/by products.

21. Payment to Auditors:

(₹ in Lacs)

Particulars	18 Months ended 31st March, 2011	Year ended 30th September, 2009
a) For Statutory Audit	17.50	15.00
b) For Limited Review & other Audits	21.75	10.00
c) For Management Services	11.90	–
d) For Certification Work	1.60	1.24
e) Reimbursement of Expenses	2.17	1.31
Total	54.92	27.55

The above amount excludes Service Tax and Education Cess thereon.

22. a) Details of Remuneration paid/payable to Directors :

(₹ in Lacs)

Particulars	18 Months ended 31st March, 2011	Year ended 30th September, 2009
i) Salary	401.43	238.60
ii) Commission To Executive/Wholetime Directors	384.00	210.00
iii) Commission To Non-Executive Directors	25.00	20.00
iv) Contribution to Provident Fund, Gratuity and other Funds	117.10	58.15
v) Perquisites (Including monetary value of perquisites ₹16.26 lacs, previous year ₹5.39 lacs)	28.67	10.24
Total	956.20	536.99

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

b) Computation of Net Profit for the purpose of calculating Directors Remuneration :

(₹ in Lacs)

Particulars	18 Months ended		Year ended	
	31st March, 2011		30th September, 2009	
Profit before Tax as per Profit & Loss Account		22600.13		24960.75
Add:				
i) Directors' Fees		6.30		5.90
ii) Directors' Remuneration		939.94		531.60
iii) Storage Fund for Molasses		78.40		17.94
iv) Loss on Sale/Discard of Fixed Assets		1823.35		683.30
v) Provision for Doubtful Debts / Advances		98.71		6.00
vi) Provision for Diminution in value of Investments		283.27		–
vii) Depreciation as per Books of Account		16810.96	10794.38	12039.12
		42641.06		36999.87
Less :				
i) Depreciation as per Section 350 of the Companies Act*		16335.37		10448.75
ii) Profit on Sale of Fixed Assets		18.84		35.09
iii) Profit on Sale of Investments		381.40		99.67
iv) Provision for Doubtful Debts / Advances Written Back		83.96		–
v) Provision for Contingencies Written Back		0.45	16820.02	–
				10583.51
Net Profit for the purpose of Directors' Remuneration		25821.04		26416.36
Eligible amount of Commission payable to Managing Director, Joint Managing Director and Director-cum-CFO @3% of Net Profit (1% to each as per terms of agreement)		774.63		792.49
Restricted as per terms of Agreements		384.00		210.00
Eligible amount of Commission payable to Non-Executive Directors @ 1% of Net Profit.		258.21		264.16
Restricted, as per Shareholders approval.		25.00		20.00

* The Company depreciates some of the fixed assets based on estimated useful life that are lower than those implicit in Schedule XIV to the Companies Act, 1956. Accordingly, the rate of depreciation used by the Company in respect of these fixed assets are higher than the rate prescribed under Schedule XIV.

Note: Re-appointment of the Managing Director, Joint Managing Director and Director cum CFO and their revised remuneration is subject to approval of the members in the ensuing Annual General Meeting.

23. Details of aggregate amount of loans outstanding which are guaranteed by the Managing Director / Joint Managing Director / Erstwhile Director:

(₹ in Lacs)

Particulars	As at	
	31st March, 2011	30th September, 2009
Loans from Banks (Including Non-Fund based limits Nil, previous year ₹2679.66 lacs)	–	14956.50
Loans from Others	–	15933.76
	–	30890.26

Note : i) During the period under review, the lenders have waived the requirement of providing personal guarantees.
ii) No Guarantee Commission has been paid to the guarantors.

24. The Company has been granted eligibility certificate dated 23rd February, 2007 under New Sugar Industry Promotion Policy, 2004 of the Government of Uttar Pradesh. Accordingly, incentives aggregating to ₹8288.68 lacs (Previous year ₹3722.93 lacs) allowable under the above policy have been accounted for during the period under review.

The above policy has been terminated by the Government of Uttar Pradesh vide order dated 4th June, 2007 wherein the Government expressed its intention to introduce another policy. The Company has been legally advised that it continues to be eligible to receive the incentives under the above policy. Furthermore, the Company has filed Writ Petition against withdrawal of the aforesaid policy which has been admitted by the Lucknow Bench of the Hon'ble Allahabad High Court vide its Order dated 9th May, 2008, the hearing in respect of which is in progress.

25. Intangible Assets

The unamortised amount of Computer Software (Acquired) ₹4.23 lacs and ₹0.13 lacs are to be amortised equally in the next 1 year & nine months and 2 years & one month respectively.

26. Employee Benefits :

As per Accounting Standard - 15 "Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard are as follows:

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

Defined Contribution Plan :

Employee benefits in the form of Provident Fund and Labour Welfare Fund are considered as defined contribution plan except that Provident fund in respect of certain employees is contributed to a fund set up by the Company which is treated as defined benefit plan since the Company has to meet the interest shortfall.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognised as expense in the Profit & Loss Account are as under :

Defined Contribution Plan	18 Months ended	Year ended
	31st March, 2011	30th September, 2009
Employers' Contribution to Provident Fund	535.13	242.72
Employers' Contribution to Labour Welfare Fund	0.01	0.01

(₹ in Lacs)

Defined Benefit Plan:

Long-term employee benefits in the forms of gratuity and leave encashment are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognised in the Balance Sheet represent the present value of the obligation as adjusted for unrecognised past service cost and as reduced by the fair value of plan assets.

Provident fund in respect of certain employees is contributed to a fund set up by the Company which is treated as a defined benefit plan since the Company has to meet the interest shortfall. The interest shortfall of ₹23.93 lacs (Previous year ₹6.54 lacs) at the period end is recognised as expense for the period.

Any asset resulting from this calculation is limited to the discounted value of any economic benefit available in the form of refunds from the plan or reduction in future contribution to the plan. The amount recognised in the Accounts in respect of Employees Benefit Schemes based on actuarial reports are as follows :

a) Details of funded post retirement plans are as follows :

(₹ in Lacs)

Particulars	31st March, 2011		30th September, 2009	
	Gratuity	Provident Fund	Gratuity	Provident Fund
I. Components of Employer Expense:				
1 Current Service Cost	270.61	182.72	153.82	115.39
2 Past Service Cost	-	-	-	-
3 Interest Cost	188.96	161.02	108.38	151.58
4 Expected return on Plan Assets	192.22	159.91	112.44	151.38
5 Actuarial (Gain) /Loss recognised in the period	195.17	38.46	66.91	(18.27)
6 Expense recognised in Profit & Loss Account	462.52	222.29	216.67	97.32
II. Change in Present Value of Defined Benefit Obligation:				
1 Present value of Defined Benefit Obligation at the beginning of the period	1691.56	1887.79	1504.48	1805.60
2 Acquisition Adjustment	28.61	-	-	-
3 Interest Cost	188.96	161.02	108.38	151.58
4 Past Service Cost	-	-	-	-
5 Current Service Cost	270.61	182.72	153.82	115.39
6 Employees Contribution	-	203.35	-	130.44
7 Benefits Paid	233.75	385.63	118.87	290.49
8 Actuarial (Gain) / Loss	256.79	149.77	43.75	(24.73)
9 Present value of Defined Benefit Obligation at the end of the period	2202.78	2199.02	1691.56	1887.79
III. Change in Fair Value of Plan Assets during the period:				
1 Plan Assets at the beginning of the period	1601.90	1881.25	1405.54	1780.99
2 Expected return on Plan Assets	192.22	159.91	112.44	151.38
3 Actual Company Contribution	580.80	386.07	225.95	245.83
4 Benefits paid	233.75	385.63	118.87	290.49
5 Actuarial Gain / (Loss)	61.61	111.32	(23.16)	(6.46)
6 Plan Assets at the end of the period	2202.78	2152.92	1601.90	1881.25

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

(₹ in Lacs)

Particulars	31st March, 2011		30th September, 2009	
	Gratuity	Provident Fund	Gratuity	Provident Fund
IV. Net Asset/(Liability) recognised in the Balance Sheet as at period end :				
1 Present value of Defined Benefit Obligation	2202.78	2199.02	1691.56	1887.79
2 Fair value of Plan Assets	2202.78	2152.92	1601.90	1881.25
3 Funded Status [Surplus/(Deficit)]	–	(46.10)	(89.66)	(6.54)
4 Net Asset / (Liability) recognised in Balance Sheet	–	(46.10)	(89.66)	(6.54)
V. Actuarial Assumptions :				
1 Discount Rate (per annum) %	8.00	9.50	7.50	8.50
2 Expected return on Plan Assets (per annum) %	8.00	8.50	8.00	8.50
3 Expected Rate of Salary increase %	5.00	5.00	5.00	5.00
4 Retirement/Superannuation Age (Year)	60.00	60.00	60.00	60.00
5 Mortality Rates	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996	LICI 1994-1996
VI. Major Category of Plan Assets as a % of the Total Plan Assets as at period end :				
1 Administered by Insurance Companies	68%	–	54%	–
2 Public Financial Institutions / Public Sector Companies	13%	51%	21%	52%
3 Central / State Government Securities	18%	49%	23%	48%
4 Bank Deposits	–	–	1%	–
5 Others (Cash and Cash Equivalents)	1%	–	1%	–
VII. Expected Employer's Contribution for the next year:				
Expected Employer's Contribution for the next year	275.00	194.13	248.50	122.31

VIII. Basis used to determine the expected Rate of return on Plan Assets :

The basis used to determine overall expected Rate of return on Plan Assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the Capital and optimise returns within acceptable risk parameters, the Plan Assets are well diversified.

IX. The history of experience adjustments for funded post retirement plans are as follows :

(₹ in Lacs)

Particulars	As at	As at	As at
	31st March, 2011	30th September, 2009	30th September, 2008
Gratuity			
Present value of defined benefit obligation	2202.78	1691.56	1504.48
Fair value of plan assets	2202.78	1601.90	1405.54
(Deficit)/Surplus	–	(89.66)	(98.94)
Experience adjustments of plan assets Gain/(Loss)	(21.92)	(23.16)	(10.26)
Experience adjustments of Obligation (Gain)/Loss	183.64	43.75	(37.12)
Provident Fund			
Present value of defined benefit obligation	2199.02	1887.79	1805.60
Fair value of plan assets	2152.92	1881.25	1780.99
(Deficit)/Surplus	(46.10)	(6.54)	(24.61)
Experience adjustments of plan assets Gain/(Loss)	111.32	(6.46)	(72.66)
Experience adjustments of Obligation (Gain)/Loss	149.77	(24.73)	(55.72)

b) Details of unfunded post retirement Defined Obligations are as follows:

(₹ in Lacs)

Particulars	Leave Encashment (Unfunded)	
	31st March, 2011	30th September, 2009
I. Components of Employer Expense :		
1 Current Service Cost	58.13	11.47
2 Past Service Cost	–	–
3 Interest Cost	17.90	10.63
4 Expected return on Plan Assets	–	–
5 Actuarial (Gain) /Loss recognised in the period	2.45	24.55
6 Expense recognised in Profit & Loss Account	78.48	46.65

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

(₹ in Lacs)

Particulars	Leave Encashment (Unfunded)	
	31st March, 2011	30th September, 2009
II. Change in Present Value of Defined Benefit Obligation :		
1 Present value of Defined Benefit Obligation at the beginning of the period	173.26	156.86
2 Interest Cost	17.90	10.63
3 Past Service Cost	-	-
4 Current Service Cost	58.13	11.47
5 Benefits Paid	48.33	30.25
6 Actuarial (Gain) / Loss	2.45	24.55
7 Present value of Defined Benefit Obligation at the end of the period	203.42	173.26
III. Net Asset / (Liability) recognised in the Balance Sheet as at period end:		
1 Present value of Defined Benefit Obligation	203.42	173.26
2 Fair value of Plan Assets	-	-
3 Funded Status [Surplus/(Deficit)]	(203.42)	(173.26)
4 Net Asset / (Liability) recognised in Balance Sheet	(203.42)	(173.26)
IV. Actuarial Assumptions :		
1 Discount Rate (per annum) %	8.00	7.50
2 Expected return on Plan Assets (per annum) %	-	-
3 Expected Rate of Salary increase %	5.00	5.00
4 Retirement/Superannuation Age (Year)	60.00	60.00
5 Mortality Rates	LICI 1994-1996	LICI 1994-1996
V. Expected Employer's Contribution for the next year :		
Expected Employer's Contribution for the next year	37.00	190.60

c) Other disclosures :

i) Basis of estimates of Rate of escalation in salary :

The estimates of rate of escalation in salary, considered in Actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

ii) The Gratuity and Provident Fund Expenses have been recognised under "Contribution to Provident Fund, Gratuity and Other Funds" and Leave Encashment under "Salaries, Wages, Bonus etc." under Schedule - 18.

iii) The amount of the Present value of Obligations, fair value of Plan Assets, Surplus/Deficit in the plan and experience adjustment arising on Plan Liabilities and Plan Assets for the previous two annual periods are not available and therefore, not disclosed.

27. Segment information as per Accounting Standard - 17 on 'Segment Reporting' :

The Company has identified four primary business segments viz. Sugar, Distillery, Co-generation and Others. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure and internal business reporting system.

a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent assets and liabilities of respective segment. Investments, tax related assets/liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

c) Information about Primary Business Segments:

(₹ in Lacs)

Particulars	Sugar	Distillery	Co-generation	Others	Unallocable	Total
Gross Sales	277224.90	16601.88	43260.06	379.82	-	337466.66
	(157834.13)	(13541.67)	(18255.21)	(254.69)	(-)	(189885.70)
Less : Inter Segment Sales	17263.47	7.87	13867.13	6.38	-	31144.85
	(7002.18)	(4.06)	(5777.49)	(0.19)	(-)	(12783.92)
External Sales	259961.43	16594.01	29392.93	373.44	-	306321.81
	(150831.95)	(13537.61)	(12477.72)	(254.50)	(-)	(177101.78)
Less : Excise Duty & Cess on on External Sales	8458.22	624.62	-	-	-	9082.84
	(6642.52)	(454.83)	(-)	(-)	(-)	(7097.35)
Net Sales	251503.21	15969.39	29392.93	373.44	-	297238.97
	(144189.43)	(13082.78)	(12477.72)	(254.50)	(-)	(170004.43)
Add : Allocable Other Income	616.97	34.94	236.28	4.96	-	893.15
	(374.33)	(33.77)	(82.48)	(1.75)	(-)	(492.33)
Total Revenue	252120.18	16004.33	29629.21	378.40	-	298132.12
	(144563.76)	(13116.55)	(12560.20)	(256.25)	(-)	(170496.76)
Result						
Segment Result	17435.49	4465.96	18416.73	(56.42)	-	40261.76
	(24948.02)	(4992.23)	(8033.54)	(- (77.39))	(-)	(37896.40)
Less:						
Unallocable Expenditure net of Unallocable Income					3847.27	3847.27
					(3251.06)	(3251.06)
Interest & Other Financial Charges					13814.36	13814.36
					(9684.59)	(9684.59)
Profit Before Tax						22600.13
						(24960.75)
Tax						
Current Tax (Including Wealth Tax)						3804.00
						(3449.00)
Fringe Benefit Tax						-
						(28.00)
Deferred Tax						2097.00
						(6128.43)
MAT Credit Write Down/ (Entitlement)						262.18
						(- (5904.18))
Income Tax Provision for earlier years written back						(3.80)
						(- (1391.09))
Profit After Tax						16440.75
						(22650.59)
Other Information						
Segment Assets	271812.27	18510.36	58653.11	1222.52	36812.44	387010.70
	(157389.81)	(16044.52)	(55017.38)	(1322.19)	(36876.56)	(266650.46)
Segment Liabilities	18711.77	2697.42	230.80	29.75	35736.43	57406.17
	(10423.22)	(2208.20)	(246.77)	(27.89)	(39016.21)	(51922.29)
Capital Expenditure	2691.50	33.02	3001.17	-	324.66	6050.35
	(732.64)	(10.51)	(241.01)	(19.82)	(86.85)	(1090.83)
Depreciation & Amortisation	9871.62	1237.20	5503.48	98.41	100.25	16810.96
	(6206.49)	(825.50)	(3635.90)	(69.19)	(57.30)	(10794.38)
Non cash expenses other than Depreciation & Amortisation	1716.39	60.68	743.86	1.44	624.99	3147.36
	(730.23)	(6.65)	(1.06)	(-)	(1043.30)	(1781.24)

Notes :

- 1) Transactions between segments are primarily for materials which are transferred at market determined prices. Common costs are apportioned on a reasonable basis.
- 2) Unallocable expenses are net of unallocable income ₹1089.65 lacs (Previous year ₹130.19 lacs).
- 3) Inter Segment Sales include Excise Duty & Cess ₹976.32 lacs (Previous year ₹586.72 lacs).
- 4) Figures in brackets pertain to previous year.

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

d) Information about Secondary Geographical Segments :

- i) The information about secondary segments has not been furnished as the export revenue is less than 10% of the total revenue of the Company.
- ii) The Company has common fixed assets located in India for producing goods for domestic and overseas markets. Therefore, the value of fixed assets and additions thereto can not be allocated to the geographical segments. Hence, the total carrying amount of segment assets and cost incurred during the period to acquire segment assets has not been given in respect of secondary segments.

28. Related party disclosures as per Accounting Standard - 18 are given below:

a) Name of the related parties and description of relationship :

- i) **Subsidiaries :**
(Control exists)
 - Indo Gulf Industries Ltd.
 - Balrampur Overseas Pvt. Ltd.
- ii) **Associates :**
(Where the Company exercises significant influence)
 - VA Friendship Solar Park Private Limited
- iii) **Key Managerial Personnel (KMP):**
 - Mr. Vivek Saraogi - Managing Director
 - Mrs. Meenakshi Saraogi - Joint Managing Director
 - Mr. K.N. Ranasaria - Whole-time Director (upto 11.05.2009)
 - Mr. Kishor Shah - Director-cum-Chief Financial Officer
 - Dr. Arvind Krishna Saxena - Whole-time Director (from 01.08.2008)
- iv) **Relatives of Key Managerial Personnel :**
 - Mr. Vivek Saraogi**
 1. Mr. K.N.Saraogi (Father) - Chairman Emeritus
 2. Mrs. Meenakshi Saraogi (Mother)
 3. Mrs. Sumedha Saraogi (Wife)
 4. Mr. Karan Saraogi (Son)
 5. Miss Avantika Saraogi (Daughter)
 6. Mrs. Stuti Dhanuka (Sister)
 - Mrs. Meenakshi Saraogi**
 1. Mr. K.N. Saraogi (Husband)
 2. Mr. Vivek Saraogi (Son)
 3. Mrs. Stuti Dhanuka (Daughter)
 4. Mrs. Sumedha Saraogi (Daughter-in-Law)
 5. Mr. Karan Saraogi (Grand-Son)
 6. Miss Avantika Saraogi (Grand-Daughter)
- v) **Enterprises in which KMP and their relatives have substantial interest :**
 1. Meenakshi Mercantiles Ltd.
 2. Udaipur Cotton Mills Co. Ltd.
 3. Kamal Nayan Saraogi (HUF)
 4. Vivek Saraogi (HUF)
 5. Kishor Shah (HUF)

b) Transactions with Related parties :

(₹ in Lacs)

Nature of transaction / Name of the related party	Subsidiaries	Associates	Enterprises in which KMP and their relatives have substantial interest	Key Managerial Personnel (KMP)	Relatives of KMP	Total
i) Purchase of Raw Materials						
Indo Gulf Industries Ltd.	-	-	-	-	-	-
	(63.00)	(-)	(-)	(-)	(-)	(63.00)
ii) Purchase of Molasses						
Indo Gulf Industries Ltd.	-	-	-	-	-	-
	(108.51)	(-)	(-)	(-)	(-)	(108.51)

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

₹ in Lacs

Nature of transaction / Name of the related party	Subsidiaries	Associates	Enterprises in which KMP and their relatives have substantial interest	Key Managerial Personnel (KMP)	Relatives of KMP	Total
iii) Purchase of Store & Other Materials						
Indo Gulf Industries Ltd.	- (7.95)	- (-)	- (-)	- (-)	- (-)	- (7.95)
iv) Sale of Raw Materials						
Indo Gulf Industries Ltd.	- (6.55)	- (-)	- (-)	- (-)	- (-)	- (6.55)
v) Sale of Store & Other Materials						
Indo Gulf Industries Ltd.	- (9.18)	- (-)	- (-)	- (-)	- (-)	- (9.18)
vi) Reimbursement of Expenses						
Indo Gulf Industries Ltd.	- (14.83)	- (-)	- (-)	- (-)	- (-)	- (14.83)
vii) Recovery of Expenses						
Indo Gulf Industries Ltd.	- (16.09)	- (-)	- (-)	- (-)	- (-)	- (16.09)
viii) Inter-Corporate Loan Given						
Indo Gulf Industries Ltd.	129.13 (4182.34)	- (-)	- (-)	- (-)	- (-)	129.13 (4182.34)
ix) Consideration paid on account of merger						
Indo Gulf Industries Ltd.	75.00 (-)	- (-)	- (-)	- (-)	- (-)	75.00 (-)
x) Inter-Corporate Loan Received Back @						
Indo Gulf Industries Ltd.	7275.00 (-)	- (-)	- (-)	- (-)	- (-)	7275.00 (-)
xi) Investments made during the period in						
Indo Gulf Industries Ltd.	7.50 (-)	- (-)	- (-)	- (-)	- (-)	7.50 (-)
VA Friendship Solar Park Pvt.Ltd.	- (-)	225.01 (-)	- (-)	- (-)	- (-)	225.01 (-)
xii) Investments sold during the period to						
Meenakshi Mercantiles Ltd.	- (-)	- (-)	- (45.81)	- (-)	- (-)	- (45.81)
Udaipur Cotton Mills Co. Ltd.	- (-)	- (-)	- (15.63)	- (-)	- (-)	- (15.63)
xiii) Interest Income						
Indo Gulf Industries Ltd.	25.58 (1002.27)	- (-)	- (-)	- (-)	- (-)	25.58 (1002.27)

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

(₹ in Lacs)

Nature of transaction / Name of the related party	Subsidiaries	Associates	Enterprises in which KMP and their relatives have substantial interest	Key Managerial Personnel (KMP)	Relatives of KMP	Total
xiv) Receiving of Services						
Mrs. Meenakshi Saraogi	-	-	-	374.55	-	374.55
	(-)	(-)	(-)	(215.92)	(-)	(215.92)
Mr. Vivek Saraogi	-	-	-	350.85	-	350.85
	(-)	(-)	(-)	(198.25)	(-)	(198.25)
Mr. K.N.Ranasaria	-	-	-	-	-	-
	(-)	(-)	(-)	(24.93)	(-)	(24.93)
Mr. Kishor Shah	-	-	-	117.84	-	117.84
	(-)	(-)	(-)	(66.84)	(-)	(66.84)
Dr. Arvind Krishna Saxena	-	-	-	18.64	-	18.64
	(-)	(-)	(-)	(11.06)	(-)	(11.06)
xv) Dividend Paid to Shareholders						
Mr. K.N.Saraogi	-	-	-	-	809.35	809.35
	(-)	(-)	(-)	(-)	(134.89)	(134.89)
Mrs. Meenakshi Saraogi	-	-	-	415.33	-	415.33
	(-)	(-)	(-)	(69.22)	(-)	(69.22)
Mr. Vivek Saraogi	-	-	-	262.68	-	262.68
	(-)	(-)	(-)	(43.78)	(-)	(43.78)
Mr. K.N.Ranasaria	-	-	-	-	-	-
	(-)	(-)	(-)	(0.96)	(-)	(0.96)
Mr. Kishor Shah	-	-	-	1.22	-	1.22
	(-)	(-)	(-)	(0.03)	(-)	(0.03)
Dr. Arvind Krishna Saxena	-	-	-	0.60	-	0.60
	(-)	(-)	(-)	(-)	(-)	(-)
Mrs. Sumedha Saraogi	-	-	-	-	293.97	293.97
	(-)	(-)	(-)	(-)	(49.00)	(49.00)
Mr. Karan Saraogi	-	-	-	-	118.40	118.40
	(-)	(-)	(-)	(-)	(19.73)	(19.73)
Miss Avantika Saraogi	-	-	-	-	112.40	112.40
	(-)	(-)	(-)	(-)	(18.73)	(18.73)
Mrs. Stuti Dhanuka	-	-	-	-	150.36	150.36
	(-)	(-)	(-)	(-)	(25.06)	(25.06)
Meenakshi Mercantiles Ltd.	-	-	224.28	-	-	224.28
	(-)	(-)	(32.80)	(-)	(-)	(32.80)
Udaipur Cotton Mills Co. Ltd.	-	-	196.79	-	-	196.79
	(-)	(-)	(37.38)	(-)	(-)	(37.38)
Kamal Nayan Saraogi (HUF)	-	-	235.87	-	-	235.87
	(-)	(-)	(39.31)	(-)	(-)	(39.31)
Vivek Saraogi (HUF)	-	-	5.10	-	-	5.10
	(-)	(-)	(0.85)	(-)	(-)	(0.85)
Kishor Shah (HUF)	-	-	0.15	-	-	0.15
	(-)	(-)	(-)	(-)	(-)	(-)

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

₹ in Lacs

Nature of transaction / Name of the related party	Subsidiaries	Associates	Enterprises in which KMP and their relatives have substantial interest	Key Managerial Personnel (KMP)	Relatives of KMP	Total
xvi) Employees Stock Options #						
Mr. Kishor Shah	-	-	-	18.00	-	18.00
	(-)	(-)	(-)	(-)	(-)	(-)
Dr. Arvind Krishna Saxena	-	-	-	13.50	-	13.50
	(-)	(-)	(-)	(-)	(-)	(-)
xvii) Corporate Guarantee provided on behalf of a Subsidiary						
Balrampur Overseas Pvt. Ltd.	1986.16	-	-	-	-	1986.16
	(-)	(-)	(-)	(-)	(-)	(-)
xviii) Corporate Guarantee withdrawn provided on behalf of a Subsidiary						
Indo Gulf Industries Ltd.	3550.00	-	-	-	-	3550.00
	(-)	(-)	(-)	(-)	(-)	(-)
xix) Balance Outstanding						
a) Accounts payable						
Mrs. Meenakshi Saraogi	-	-	-	165.00	-	165.00
	(-)	(-)	(-)	(90.00)	(-)	(90.00)
Mr. Vivek Saraogi	-	-	-	165.00	-	165.00
	(-)	(-)	(-)	(90.00)	(-)	(90.00)
Mr. Kishor Shah	-	-	-	54.00	-	54.00
	(-)	(-)	(-)	(30.00)	(-)	(30.00)
Indo Gulf Industries Ltd.	74.64	-	-	-	-	74.64
	(-)	(-)	(-)	(-)	(-)	(-)
b) Inter Corporate Loan receivable						
Indo Gulf Industries Ltd. @	356.43	-	-	-	-	356.43
	(7500.00)	(-)	(-)	(-)	(-)	(7500.00)
c) Amount outstanding against Guarantees provided by						
Mr. K.N.Saraogi	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(15933.76)	(15933.76)
Mrs. Meenakshi Saraogi	-	-	-	-	-	-
	(-)	(-)	(-)	(15933.76)	(-)	(15933.76)
Mr. Vivek Saraogi	-	-	-	-	-	-
	(-)	(-)	(-)	(30890.26)	(-)	(30890.26)
d) Amount outstanding against Corporate Guarantee provided for loans obtained by						
Indo Gulf Industries Ltd.	-	-	-	-	-	-
	(1545.46)	(-)	(-)	(-)	(-)	(1545.46)
Balrampur Overseas Pvt. Ltd.	1986.16	-	-	-	-	1986.16
	(-)	(-)	(-)	(-)	(-)	(-)

Excluding monetary value of perquisites

@ Maximum amount outstanding during the period ₹7500.00 lacs (Previous year ₹9950.00 lacs). During the period under review, an amount of ₹7275.00 lacs lying as loan to Subsidiary as on the appointment date was adjusted towards the value of consideration in connection with the merger of sugar unit of Indo Gulf Industries Ltd. (IGIL) with the Company. The Company also paid ₹7.50 lacs to make the partly paid shares as fully paid shares in terms of the Scheme sanctioned by BIFR.

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

- c) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- d) No amount has been written back / written off during the year in respect of due to / from related parties except reduction in face value of Equity Shares of IGIL from ₹10/- to ₹1/- as mentioned in Schedule - 6 of Investments.
- e) The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required except provision of ₹283.27 lacs towards diminution in value of investments in shares of IGIL.
- f) The value of company's holding of ₹45.95 lacs in its subsidiary company IGIL was adjusted with the consideration amount on merger of sugar unit of IGIL with the Company as mentioned in Note No.32 (c).
- g) Figures in brackets pertain to previous year.

29. Disclosure under clause 32 of the Listing Agreement :

There are no transactions (other than loan transactions with subsidiaries as given in para 28 (b) (ix) (b) above) which are required to be disclosed under Clause 32 of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed.

30. Additional information pursuant to the provisions of paragraphs 3, 4C & 4D of Part – II of Schedule VI to the Companies Act, 1956:

A. Quantitative Information :

i) Licensed Capacity		
Sugar	Not applicable	Not applicable
Distillery	320 KLPD	320 KLPD
Organic Manure	Not applicable	Not applicable
Co-Generation	Not applicable	Not applicable
ii) Installed Capacity (As certified by the Management)		
Sugar	76500 TCD	73500 TCD
Distillery	320 KLPD	320 KLPD
Organic Manure	58000 M.T.	58000 M.T.
Co-Generation	179.85 M.W.	179.85 M.W.

iii) Particulars of Goods Manufactured

Class of Goods	Unit	Production	Sales	
		Quantity	Quantity	Amount (₹ in Lacs)
Finished Goods				
a) Sugar	Qtls.	@ 12407661 (4414989)	^ 8307280 (6647059)	246530.87 (148741.81)
b) Molasses	Qtls.	# 5860191 (2373926)	# 4237590 (2578937)	3023.64 (1909.14)
c) Industrial Alcohol	B.L.	* 71124102 (48271967)	* 64009323 (50661405)	16481.99 (13472.54)
d) Power	Kw.	\$ 1015388119 (495754364)	\$ 1015364013 (493166752)	29392.93 (12477.72)
e) Organic Manure	M.T.	& 46975 (27129)	& 51300 (33714)	369.16 (251.18)
f) Bagasse	Qtls.	§ 39534211 (16293486)	§ 37178623 (16750723)	512.93 (130.01)
g) Miscellaneous				340.48 (119.38)
Trading Goods				
Raw Sugar	Qtls.		399472 (-)	9669.81 (-)
Total				306321.81 (177101.78)

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

Particulars	Unit	18 Months ended	Year ended
		31st March, 2011	30th September, 2009
		Quantity	Quantity
@ Includes production out of Raw Sugar processed	Qtls.	869112	-
^ Includes process/storage loss	Qtls.	3746	5602
# Includes			
auto combustion/storage loss	Qtls.	40264	35261
inter unit transfers taken at nil value	Qtls.	3207127	2119461
* Includes			
storage loss	B.L.	811838	858693
captive consumption taken at nil value	B.L.	18200	10600
\$ Includes			
captive consumption	Kw.	90949176	47277104
transmission loss	Kw.	10558636	4412083
inter unit transfers taken at nil value	Kw.	202779442	83820025
& Includes			
issued as process loss/ issued as sample	M.T.	6020	707
§ Includes			
storage loss	Qtls.	282173	20450
captive consumption	Qtls.	13626690	5418556
inter unit transfers taken at nil value	Qtls.	21892029	10715140

Purchase of Goods

Class of Goods	Unit	Quantity	Amount (₹ in lacs)
By Products			
Molasses	Qtls.	98994	8.57
		(-)	(-)
Bagasse	Qtls.	254759	101.57
		(-)	(-)
Trading Goods			
Raw Sugar	Qtls.	399472	9893.68
		(-)	(-)

Acquired on Merger

Class of Goods	Unit	Quantity	Amount (₹ in lacs)
Sugar	Qtls.	20347	493.52
		(-)	(-)
Bagasse	Qtls.	39907	9.98
		(-)	(-)

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

Class of Goods	Unit	Opening Stock		Closing Stock	
		Quantity	Amount (₹ in Lacs)	Quantity	Amount (₹ in Lacs)
a) Sugar	Qtls.	929522 (3161592)	19222.45 (47191.39)	5050250 (929522)	133941.24 (19222.45)
b) Molasses	Qtls.	283725 (488736)	696.40 (961.69)	2005320 (283725)	5016.65 (696.40)
c) Industrial Alcohol	B.L.	4376324 (6765762)	733.11 (806.94)	11491103 (4376324)	2007.37 (733.11)
d) Banked Power	Kw.	7529787 (4942175)	120.94 (56.35)	7553893 (7529787)	71.91 (120.94)
e) Organic Manure	M.T.	7974 (14559)	50.15 (48.47)	3649 (7974)	27.71 (50.15)
f) Bagasse	Qtls.	696409 (1153646)	210.55 (342.21)	3346663 (696409)	1505.48 (210.55)
Total			21033.60 (49407.05)		142570.36 (21033.60)

B. Raw Materials Consumed

Class of Goods	Unit	Quantity	Amount (₹ in lacs)
a) Sugar Cane	Qtls.	123150992 (48322212)	279870.34 (73720.18)
b) Raw Sugar	Qtls.	906818 (-)	21719.77 (-)
c) Molasses	Qtls.	* 3207127 (2173982)	1691.25 (1325.35)
d) Pressmud	M.T.	# 135251 (96292)	61.30 (23.22)
e) Bagasse	Qtls.	@ 21892029 (11146117)	5952.24 (1203.81)
f) Others			811.13 (65.54)
Total			310106.03 (76338.10)

	Unit	18 Months ended 31st March, 2011	Year ended 30th September, 2009
		Quantity	Quantity
* Includes consumed out of inter unit transfers taken at nil value	Qtls.	3207127	2119461
# Includes consumed out of inter unit transfers taken at nil value.	M.T.	135251	96292
@ Includes consumed out of inter unit transfers taken at nil value.	Qtls.	21892029	10715140

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

C. Consumption of Raw Materials

Particulars	Percentage	Amount (₹ in lacs)
Imported	0.07	21719.77
	(-)	(-)
Indigenous	99.93	288386.26
	(100.00)	(76338.10)
	100.00	310106.03
	(100.00)	(76338.10)

D. Consumption of Stores & Spare Parts

Particulars	Percentage	Amount (₹ in lacs)
Imported	0.21	18.61
	(0.41)	(12.90)
Indigenous	99.79	8683.43
	(99.59)	(3101.38)
	100.00	8702.04
	(100.00)	(3114.28)

E. Expenditure in Foreign Currency

Particulars	Amount (₹ in lacs)
On Professional & Consultancy Expenses	10.65
	(4.79)
On Travelling	42.42
	(50.07)
On Interest	2000.37
	(2886.87)
On Others	5.72
	(9.72)

F. Earnings in Foreign Exchange

Particulars	Amount (₹ in lacs)
FOB Value of Exports	4940.74
	(768.75)

G. Value of Import on C.I.F. Basis

Particulars	Amount (₹ in lacs)
Raw Materials	14728.48
	(8076.28)
Components and Spare Parts	22.43
	(-)

Note : Figure in brackets pertain to previous year.

Schedules forming part of the accounts

23 NOTES ON ACCOUNTS (Contd...)

31. Dividend remitted in foreign currency :

The Company has not remitted any amount in foreign currency on account of dividend. The particulars of dividend payable to non-resident shareholders are as under :

Particulars	18 Months ended 31st March, 2011	Year ended 30th September, 2009
i) Year to which Dividend relates	30/09/2009	30/09/2008
ii) Number of non-resident shareholders	1277	1101
iii) Number of Ordinary Shares held by them	41338957	39351625
iv) Gross amount of Dividend (₹ in Lacs)	1240.17	196.76

32. a) Pursuant to sanction of the Rehabilitation Scheme containing the Scheme of Arrangement between the Company and Indo Gulf Industries Limited (IGIL, a Subsidiary of the Company) by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 24.06.2010, the Sugar Unit of IGIL, hereinafter referred to as the "Demerged Undertaking", as defined in the Scheme, has been transferred to the Company with effect from the Appointed Date, 1st October, 2008.
- b) The aforesaid Scheme of Arrangement has become effective on filing the certified copy of the order dated 24.06.2010 passed by Hon'ble BIFR with the Registrar of Companies, Delhi and also with the Registrar of Companies, West Bengal both on 21.07.2010. Therefore, notwithstanding a subsequent appeal filed by one of the stake holder against the aforesaid order of BIFR, the Company has recorded in its books all the assets and liabilities pertaining to the Demerged Undertaking at values as appearing in the books of IGIL as on the appointed date after giving effect of the Scheme save and except fixed assets having gross book value of ₹7645.46 lacs which have been revalued prior to the demerger and accordingly the fixed assets have been recorded in the books of the Company at the revalued amount.
- c) In consideration for the transfer and vesting of the Demerged Undertaking, the scheme provides for payment of ₹75.00 lacs in cash and issue of Equity Shares worth ₹85.15 lacs (including share premium) of the Company in the ratio of 1 Equity Share of ₹1/- each fully paid up for every 100 Equity Shares of ₹1/- in IGIL. However, Equity Shares worth ₹45.95 lacs have not been issued in view of Company's holding of 53.96% in IGIL and thus Equity Shares amounting to ₹39.20 lacs (including premium) have been issued to the share holders of IGIL.
- d) The loss of Maizapur sugar unit of IGIL pertaining to period 1st October, 2008 to 30th September, 2009 i.e. from the appointed date till the end of the company's previous year ended 30th September, 2009 amounting to ₹1248.17 lacs has also been recognised in the current period.
33. a) With effect from the Current accounting period, the Company has changed its financial year ending from 30th September to 31st March pursuant to the approval of Registrar of Companies, Kolkata. Accordingly, the current financial period is for eighteen months i.e. from 1st October, 2009 to 31st March 2011.
- b) Figures for the current period include all the assets and liabilities and the revenues and expenses pertaining to the Demerged Undertaking as mentioned herein above. The previous year figure does not include the figures in respect of said Demerged Undertaking.
- c) In view of above, the figures of the current financial period are not comparable with those of the previous year.
34. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current period financial statements and are to be read in relation to the amounts and other disclosures relating to the current period.

